

has been adverse to the insurance lobby.

I am wondering if the gentleman from New Jersey is familiar with the 527 clandestine political organizations and if they played any role in New Jersey politics, in political pollution because of the gentleman's fight against environmental pollution.

Mr. PALLONE. Mr. Speaker, let me say I agree 100 percent with what my colleagues said about these corporations and this tax loophole. Back in November of 1998, I was hit the last 2 weeks of the campaign with a \$5 million independent expenditure by a group like this that was obviously taking advantage of the fact that there was no disclosure under the campaign finance laws. We were able to determine that much of the money was from the insurance industry, particularly the HMOs, as well as we think from the prescription drug industry. But to this day I cannot verify that because the fact of the matter is there is no disclosure. I believe very strongly if we had disclosure along the lines of what the gentleman from Texas suggested, a lot of this veiled campaign money would not be spent.

Mr. DOGGETT. Mr. Speaker, they could put pretty names on their committee that appears in the mailers and on TV and attack you, however, without disclosing who gave them the dirty money.

DISCLOSURE OF 527 ORGANIZATIONS

The SPEAKER pro tempore (Mr. RYAN of Wisconsin). Under the Speaker's announced policy of January 19, 1999, the gentleman from Kansas (Mr. MOORE) is recognized during morning hour debates for 5 minutes.

Mr. MOORE. Mr. Speaker, I thank the gentleman from Texas (Mr. DOGGETT), who has taken a leadership role on the important issue of improved campaign finance disclosure. I am proud to be an original cosponsor of the proposal he discussed recently, and I hope it will quickly be approved by the Committee on Ways and Means.

Mr. Speaker, many Americans have lost faith in our political system. Routinely, half of those eligible to vote do not. People feel our political system is at best irrelevant and at worst shot full of corruption. Our country is better than that, and our people deserve better.

Last September, the House of Representatives overwhelmingly passed the Shays-Meehan bill, which would have dramatically reformed the campaign finance system. It would have rid our system of soft money and severely limited independent expenditures. But similar efforts died by a narrow majority in the Senate.

Though Shays-Meehan remains a necessary reform, a new type of polit-

ical organization threatens the integrity of our campaign finance process, our electoral process. Known as 527s and named after the provision of the Tax Code under which they are created, these organizations contend they can accept unlimited funds and never disclose the names of donors, the amount of contributions, or how the money is spent.

This is possible because, while these groups qualify as political committees under the Tax Code, they are not subject to the jurisdiction of the Federal Election Commission. These organizations have caught the eye of many observers, not the least of which is the Joint Committee on Taxation.

When I was running for Congress, people told me how fed up they were with the system. Public cynicism and apathy eat away at voter participation and cause citizens to tune out of discussions of very serious issues. It has turned a whole generation of young people away from politics as a means of governance and social change.

Simply put, the current campaign laws alienate voters. I am hoping this legislation, or new legislation, I drafted will begin to restore public trust and will also take congressional seats off the 527 auction block.

This bill and my bill, called the Campaign Integrity Act of 2000, would require 527s to meet the disclosure and reporting requirements of the Federal Election Campaign Act. This proposal would rewrite the Internal Revenue Code section 527 definition of political organizations to require public disclosure of the names of contributors and the sums contributed. Violations would result in the loss of the organization's tax exempt status.

This bill will not cure all of the ills of the campaign finance system but instead represents two very important and necessary goals. First, this act closes the 527 loophole and reestablishes in our country the principle that campaigns will be subject to scrutiny. Secondly, this bill requires and represents a reasonable political compromise that, in the absence of more comprehensive reform, gives Congress the opportunity to make upcoming elections more open, fair, and honest.

To those who cling to free speech, an argument against reform, this legislation would not impose limitations on contributions to 527s and, therefore, will not interfere in anybody's first amendment right. It would simply require full disclosure, forcing those who wish to exercise this type of expression to show their face just like everybody else has to do.

My colleagues and I are urging other Members and pro-reform organizations to join in this effort. It is high time that Congress shine light on 527s and tell special interest groups that the American people are our special interest.

Mr. DOGGETT. Mr. Speaker, will the gentleman yield?

Mr. MOORE. Certainly, I yield to the gentleman from Texas.

Mr. DOGGETT. Mr. Speaker, I want to thank the gentleman for his leadership. I know he has already done two articles on this. He has developed a legislative solution on this.

You mentioned our efforts during the last session to try to approve the McCain-Feingold bill, the Shays-Meehan bill, as we call it here in the House, major campaign reform.

Does the gentleman recall that there were those on the Republican side who opposed that legislation, saying that all we needed was to have instant disclosure, complete disclosure of campaign contributions and expenditures?

Mr. MOORE. I do recall that, Mr. Speaker.

Mr. DOGGETT. Mr. Speaker, are we not basically taking them up on their word, but saying let us apply it across the board, and let us include these new secret organizations, covert operations that are occurring as 527s? All we are asking is complete and instant disclosure in our legislative approach.

Mr. MOORE. Absolutely. Mr. Speaker, I just do not see how any reasonable person can say that full disclosure of the names of persons who contribute and the amounts contributed can in any way interfere with anybody's right to free speech or the other objectives they have. I think this is something that people in this country deserve.

Mr. DOGGETT. Mr. Speaker, I pulled up George W. Bush's campaign Web page; and he claims that he favors, "near instant disclosure of the names of contributors on the Internet." If our Republican colleagues would join with us, could we not do this right now on these 527 organizations and require that instant disclosure over the Internet in both the spirit of JOHN MCCAIN and the campaign Web site of George W. Bush?

Mr. MOORE. Yes, Mr. Speaker.

CONGRATULATIONS TO MICHIGAN STATE UNIVERSITY BASKETBALL TEAM, KEEP SOCIAL SECURITY SOLVENT, AND ABOLISH CENSUS LONG FORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, this is a little bit on the lighter side but also on the heavier side, sort of like sweet and sour. But I want to congratulate my alma mater, Michigan State University, for the excellent game that they played last night for their championship now in the college athletic contests of who does the great job in basketball. So I say congratulations to Michigan State.